

ASSEMBLY BILL

No. 1391

Introduced by Assembly Member Ridley-Thomas

February 21, 2003

An act to amend Section 1785.13 of the Civil Code, relating to consumer credit.

LEGISLATIVE COUNSEL'S DIGEST

AB 1391, as introduced, Ridley-Thomas. Consumer credit reports: prohibited items.

Existing state and federal law regulate the activities of consumer credit reporting agencies and prohibit a consumer credit reporting agency from making a consumer credit report that contains specified items of information, including bankruptcies that predate the report by more than 10 years.

This bill would make nonsubstantive, technical changes to these provisions.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1785.13 of the Civil Code is amended
2 to read:

3 1785.13. (a) ~~No~~ A consumer credit reporting agency ~~shall~~
4 *may not* make any consumer credit report containing any of the
5 following items of information:

6 (1) Bankruptcies that, from the date of adjudication, antedate
7 the report by more than 10 years.

1 (2) Suits and judgments that, from the date of entry or renewal,
2 antedate the report by more than seven years or until the governing
3 statute of limitations has expired, whichever is the longer period.

4 (3) Unlawful detainer actions, unless the lessor was the
5 prevailing party. For purposes of this paragraph, the lessor shall be
6 deemed to be the prevailing party only if (A) final judgment was
7 awarded to the lessor (i) upon entry of the tenant's default, (ii)
8 upon the granting of the lessor's motion for summary judgment,
9 or (iii) following trial, or (B) the action was resolved by a written
10 settlement agreement between the parties that states that the
11 unlawful detainer action may be reported. In any other instance in
12 which the action is resolved by settlement agreement, the lessor
13 shall not be deemed to be the prevailing party for purposes of this
14 paragraph.

15 (4) Paid tax liens that, from the date of payment, antedate the
16 report by more than seven years.

17 (5) Accounts placed for collection or charged to profit and loss
18 that antedate the report by more than seven years.

19 (6) Records of arrest, indictment, information, misdemeanor
20 complaint, or conviction of a crime that, from the date of
21 disposition, release, or parole, antedate the report by more than
22 seven years. These items of information shall no longer be
23 reported if at any time it is learned that in the case of a conviction
24 a full pardon has been granted, or in the case of an arrest,
25 indictment, information, or misdemeanor complaint a conviction
26 did not result.

27 (7) Any other adverse information that antedates the report by
28 more than seven years.

29 (b) The seven-year period specified in paragraphs (5) and (7)
30 of subdivision (a) shall commence to run, with respect to any
31 account that is placed for collection (internally or by referral to a
32 third party, whichever is earlier), charged to profit and loss, or
33 subjected to any similar action, upon the expiration of the 180-day
34 period beginning on the date of the commencement of the
35 delinquency that immediately preceded the collection activity,
36 charge to profit and loss, or similar action. Where more than one
37 of these actions is taken with respect to a particular account, the
38 seven-year period specified in paragraphs (5) and (7) shall
39 commence concurrently for all these actions on the date of the first
40 of these actions.

1 (c) ~~Any~~ A consumer credit reporting agency that furnishes a
2 consumer credit report containing information regarding any case
3 involving a consumer arising under the bankruptcy provisions of
4 Title 11 of the United States Code shall include an identification
5 of the chapter of Title 11 of the United States Code under which
6 the case arose if that can be ascertained from what was provided
7 to the consumer credit reporting agency by the source of the
8 information.

9 (d) A consumer credit report ~~shall~~ *may* not include any adverse
10 information concerning a consumer antedating the report by more
11 than 10 years or that otherwise is prohibited from being included
12 in a consumer credit report.

13 (e) If a consumer credit reporting agency is notified by a
14 furnisher of credit information that an open-end credit account of
15 the consumer has been closed by the consumer, ~~any~~ *a* consumer
16 credit report thereafter issued by the consumer credit reporting
17 agency with respect to that consumer, and that includes
18 information respecting that account, shall indicate the fact that the
19 consumer has closed the account. For purposes of this subdivision,
20 “open-end credit account” does not include any demand deposit
21 account, such as a checking account, money market account, or
22 share draft account.

23 (f) Consumer credit reporting agencies ~~shall~~ *may* not include
24 medical information in their files on consumers or furnish medical
25 information for employment, insurance, or credit purposes in a
26 consumer credit report without the consent of the consumer.

27 (g) A consumer credit reporting agency shall include in any
28 consumer credit report information, if any, on the failure of the
29 consumer to pay overdue child or spousal support, ~~where~~ *when* the
30 information either was provided to the consumer credit reporting
31 agency pursuant to Section 4752 or has been provided to the
32 consumer credit reporting agency and verified by another federal,
33 state, or local governmental agency.

